



Senate

General Assembly

File No. 465

February Session, 2012

Substitute Senate Bill No. 180

Senate, April 17, 2012

The Committee on Judiciary reported through SEN. COLEMAN of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT INCREASING PENALTIES ON EMPLOYERS FOR REFUNDS OF WAGES IN EXCHANGE FOR FURNISHING EMPLOYMENT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-73 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2013*):

3 (a) When used in this section, "refund of wages" means: (1) The
4 return by an employee to his employer or to any agent of his employer
5 of any sum of money actually paid or owed to the employee in return
6 for services performed, or (2) payment by the employer or his agent to
7 an employee of wages at a rate less than that agreed to by the
8 employee or by any authorized person or organization legally acting
9 on his behalf.

10 (b) No employer, contractor, subcontractor, foreman,
11 superintendent or supervisor of labor, acting by himself or by his
12 agent, shall, directly or indirectly, demand, request, receive or exact
13 any refund of wages, fee, sum of money or contribution from any

14 person, or deduct any part of the wages agreed to be paid, upon the
 15 representation or the understanding that such refund of wages, fee,
 16 sum of money, contribution or deduction is necessary to secure
 17 employment or continue in employment. No such person shall require,
 18 request or demand that any person agree to make payment of any
 19 refund of wages, fee, contribution or deduction from wages in order to
 20 obtain employment or continue in employment. A payment to any
 21 person of a smaller amount of wages than the wage set forth in any
 22 written wage agreement or the repayment of any part of any wages
 23 received, if such repayment is not made in the payment of a debt
 24 evidenced by an instrument in writing, shall be prima facie evidence of
 25 a violation of this section.

26 (c) The provisions of this section shall not apply to any deductions
 27 from wages made in accordance with the provisions of any law, or of
 28 any rule or regulation made by any governmental agency.

29 (d) (1) Any person who violates any provision of this section shall
 30 be fined not more than one [hundred] thousand dollars, or imprisoned
 31 not more than thirty days for the first offense, and, (2) for each
 32 subsequent offense, shall be fined not more than two thousand five
 33 hundred dollars or imprisoned not more than six months or both.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	January 1, 2013	31-73
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LAB *Joint Favorable Subst. C/R*

JUD

JUD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Labor Dept.	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill increases fines, to \$1,000 for a first offense and \$2,500 for subsequent offenses, on an employer for demanding refunds of wages in exchange for employment. The Department of Labor (DOL) has not levied such a fine in the current fiscal year or the previous two. There would be a minimal revenue gain if such a fine were levied.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of fines levied per fiscal year.

Sources: Department of Labor

OLR Bill Analysis**sSB 180*****AN ACT INCREASING PENALTIES ON EMPLOYERS FOR REFUNDS OF WAGES IN EXCHANGE FOR FURNISHING EMPLOYMENT.*****SUMMARY:**

The law prohibits an employer or its agent from demanding or receiving a portion of an employee's wages ("kickback") in order for the employee to obtain or continue in employment with the employer. This bill increases the maximum financial penalties for violations of the law, from \$100 to \$1,000 for a first offense and from \$500 to \$2,500 for each subsequent offense.

EFFECTIVE DATE: January 1, 2013

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute Change of Reference

Yea 11 Nay 0 (03/15/2012)

Judiciary Committee

Joint Favorable

Yea 44 Nay 0 (04/02/2012)